



SHERYL L. SPILLER
Director

PHIL ANSELL
Chief Deputy

County of Los Angeles
DEPARTMENT OF PUBLIC SOCIAL SERVICES

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Board of Supervisors
HILDA L. SOLIS
First District
MARK RIDLEY-THOMAS
Second District
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Third District
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MICHAEL D. ANTONOVICH
Fifth District

July 21, 2015

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

26 July 21, 2015

PATRICK OZAWA
ACTING EXECUTIVE OFFICER

**APPROVE AMENDMENT NUMBER THREE TO AGREEMENT NUMBER 77217
WITH SAS INSTITUTE INC. FOR DATA MINING SOLUTION
(ALL DISTRICTS - 3 VOTES)**

**CIO RECOMMENDATION: APPROVE (X) APPROVE WITH MODIFICATION ()
DISAPPROVE ()**

SUBJECT

The Department of Public Social Services (DPSS), in collaboration with the Service Integration Branch (SIB) of the Chief Executive Office (CEO), seeks Board approval of Amendment Number Three (Amendment) to Agreement Number 77217 (Agreement) with SAS Institute Inc. (SAS) for Data Mining Solution (DMS), approved on December 22, 2009. The purpose of this Amendment is to allow for the implementation of a LEADER Replacement System (LRS) Data Interface to the DMS system, utilized by DPSS for combatting fraud in the CalWORKs Stage 1 Child Care (Child Care Project) and the In-Home Supportive Services (IHSS) Programs (IHSS Project), and to extend the maximum term of the Agreement for an additional three (3) years, increasing the total maximum Contract Sum under the Agreement by \$4,000,000 to \$11,000,000.

IT IS RECOMMENDED THAT THE BOARD:

Approve and instruct the Mayor to sign the attached Amendment (Attachment II) to the DMS Agreement in order to:

(i) Allow the implementation of a new system data interface between the DMS solution and the LRS (LRS Data Interface) for purposes of detecting and preventing fraud in the CalWORKs Stage 1 Child Care and IHSS Programs; and

(ii) Extend the term of the Agreement by three (3) years through December 21, 2018 for the provision of continued DMS maintenance and operational support; and increase the total maximum Contract Sum allocated for the term of the Agreement by \$4,000,000 from \$7,000,000 to \$11,000,000 to allow for the implementation of the LRS Data Interface, and allocation of additional Pool Dollars under the Agreement for acquisition of optional DMS-related work that may be requested by DPSS.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The primary purpose of this Amendment is to allow DPSS to engage SAS to implement the new LRS Data Interface to the DMS system currently utilized by DPSS to detect and prevent fraud in the CalWORKs Stage 1 Child Care and IHSS Programs.

The DMS system utilizes data from and is interfaced with both LEADER, the eligibility determination system, and GEARS, the Welfare-to-Work component, and employment activity system. Such data includes the CalWORKs Stage 1 Child Care participants' case information and individual demographics, income, employment, Welfare-to-Work component activities, transportation and ancillary payments, Welfare Fraud investigations, and household relationship information transmitted from LEADER and GEARS.

As LEADER and GEARS will be replaced by LRS, system interfaces from DMS to LEADER and GEARS will need to be replaced with an LRS Data Interface. The implementation of the LRS interface must be completed by September 2015 when the LRS pilot is targeted to go live for two pilot districts, South Central #27 and Rancho Park #60. Implementation of LRS for the remaining district offices is scheduled to begin in March 2016 and to be completed by November 2016. Implementation of the LRS Data Interface will need to be synchronized with the LRS implementation. Once LRS is fully implemented, the LEADER and GEARS applications, together with their respective DMS interfaces, will be decommissioned.

The successful implementation of the LRS Data Interface to the DMS system will ensure the continuation of data analysis, investigations, and referrals necessary for the prevention and detection of fraud in the CalWORKs Stage 1 Child Care and IHSS Programs.

Implementation of Strategic Plan Goals

These recommendations are consistent with the principles of the Countywide Strategic Plan: Goal 1: Operational Effectiveness – Maximize the effectiveness of processes, structure and operations to support timely delivery of customer-oriented and efficient public services.

FISCAL IMPACT/FINANCING

The execution of this Amendment will increase the Contract Sum allocated for the term of the

Agreement by \$4,000,000 to a total maximum Contract Sum of \$11,000,000. The \$4,000,000 increase in the maximum Contract Sum includes \$785,400 allocated for the implementation of the LRS Data Interface; \$400,766 for support of the LEADER, GEARS and LRS interfaces during the roll-out and transitioning period to LRS; \$1,778,601 for continued DMS maintenance and support; and \$1,035,233 for Pool Dollars for any optional DMS related work that may be requested by DPSS.

Cost for Fiscal Year (FY) 2015-16

The total cost for FY 15-16 is estimated at \$1,921,848. The estimated net County cost (NCC) amount is \$173,000. \$1,434,000 (\$129,000 NCC) has been included in our FY 15-16 Budget. The Department will be requesting an additional \$488,000 (\$44,000 NCC) in FY 15-16 Supplemental Changes.

Cost for Fiscal Year (FY) 2016-17 through FY 2018-19

The total cost for FY 16-17 through FY 18-19 is estimated at \$2,078,152. The estimated NCC amount is \$187,000. Sufficient funding will be included in the Department's annual budget request.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Amendment Number Three will become effective upon Board approval. Under the Amendment, the Agreement is modified to add newly required provisions, including Cyber Security and Technology Errors and Omissions (E&O) Insurance Coverages, Data Destruction and the Time-Off for Voting provision, as well as updating some other information such as Key County Administrative personnel. All other terms and conditions, including information technology provisions currently included in the Agreement, will continue to apply to the Agreement.

This Amendment was reviewed and approved as to form by County Counsel. The CIO has reviewed the request and recommends approval. The CIO Analysis is attached (Attachment I). The Chief Executive Office Risk Management Branch has reviewed and concurs with the newly added provisions relating to insurance.

CONTRACTING PROCESS

In response to the Board's motion of January 6, 2009, DPSS released on July 8, 2009 a Request for Proposals (RFP) for data mining technology system. The RFP solicited proposals from qualified vendors for the development, implementation, and maintenance of data mining technology to target fraud in the CalWORKs Stage 1 Child Care Program and establish a platform that can be leveraged to detect and prevent fraud in other public assistance programs.

SAS submitted the winning proposal. On December 22, 2009, the Board awarded SAS the contract for the development, implementation, maintenance, and support of the DMS technology to detect and prevent fraudulent activities among individuals and groups participating in the County's CalWORKs Stage 1 Child Care Program. The Agreement was awarded for a period of two (2) years, with up to two (2) additional option years. DMS system was implemented for the CalWORKs Stage 1 Child Care Program on May 9, 2011.

Following the Board's motion of August 17, 2010, on December 14, 2010, the Board

approved Amendment Number One to the Agreement authorizing SAS to conduct a 90-day pilot for the IHSS Program at no cost to the County. The purpose of the IHSS Pilot was to assess the effectiveness of data mining technology in detecting and preventing fraud and to establish a platform that can be leveraged to prevent fraud in other public assistance programs.

The Analysis of the representative sample of fraud referrals during the IHSS Pilot assessment revealed potential cost savings/cost avoidance, the ability to generate new fraud referrals not readily detected by existing manual IHSS investigative methods, as well as discover fraud referrals much sooner than currently possible. Given the positive outcomes of the pilot analysis, DPSS submitted Amendment Number Two to the DMS Agreement and the Board Approved this amendment on May 15, 2012, to extend the data mining technology to the IHSS Program. The DMS for the IHSS Program was implemented on April 14, 2014.

Given the expected changes and migration of LEADER and GEARS, the current source systems, the data elements for the interface files from these source systems will be migrated and replaced with a new LRS Data Interface. The DMS system data model and structure will require design, development, and implementation of a new LRS Data Interface file to continue the utilization of the DMS technology to detect and prevent fraud in the CalWORKs Stage 1 Child Care and IHSS Programs.

Upon approval of the Amendment by the Board, DPSS will work collaboratively with SAS to design and implement a new LRS Data Interface file to ensure the DMS continues to provide the necessary functionality for the CalWORKs Stage 1 Child Care and IHSS Programs' end users.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The execution of the Amendment (Attachment II) augments the DMS by enhancing the data structure and data elements migrated from multiple systems into LRS and increasing the frequency of the interfacing data files from monthly to daily extract, which will provide for increased fraud detection and prevention. This is expected to result in new fraud referrals, earlier fraud detection, and increased efficiency, all leading to additional cost avoidance.

CONCLUSION

Upon the Board's approval, the Acting Executive Officer, Board of Supervisors is requested to return three (3) original signed copies of the Amendment and one adopted stamped Board letter to the Director of DPSS.

Respectfully submitted,



SHERYL L. SPILLER

Director

Reviewed by:



RICHARD SANCHEZ

Chief Information Officer

SLS:MS:af

Enclosures

- c: Interim Chief Executive Officer
- Acting Executive Officer, Board of Supervisors
- Interim County Counsel
- Auditor-Controller
- Chief Information Office

CIO ANALYSIS

DATA MINING SOLUTION (DMS)

AMENDMENT NUMBER THREE

To

AGREEMENT NUMBER 77217



RICHARD SANCHEZ
CHIEF INFORMATION OFFICER

Office of the CIO
CIO Analysis

NUMBER: CA 15-15	DATE: June 25, 2015
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**APPROVE AMENDMENT NUMBER THREE TO
AGREEMENT NUMBER 77217 WITH SAS INSTITUTE INC.,
FOR DATA MINING SOLUTION**

RECOMMENDATION:

- Approve Approve with modification Disapprove

CONTRACT TYPE:

- New contract Sole Source
 Amendment to Contract #: 77217 Other:

CONTRACT COMPONENTS:

- Software Hardware
 Telecommunications Professional Services

SUMMARY:

Department Executive Sponsor: Sheryl L. Spiller, Director, Department of Public Social Services
Description: Implementation of a LRS Data Interface to the Data Mining Solution (DMS) to detect and prevent fraud in the CalWORKs Stage 1 Child Care and In Home Support Services (IHSS) Programs; and extend the Agreement term for two (2) years.
Contract Amendment Amount: \$4,000,000 **Funding Source:** CalWORKs and IHSS Programs
 Legislative or regulatory mandate Subvened/Grant funded: 98%

***Strategic and
business analysis***

PROJECT GOALS AND OBJECTIVES:

Build an interface between LRS and DMS to support the detection and/or prevention of potential fraud in public assistance programs, extend the agreement term, and fund the maintenance for the term.

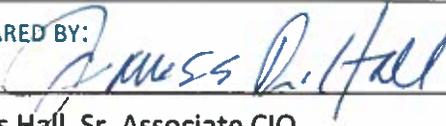
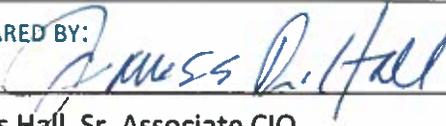
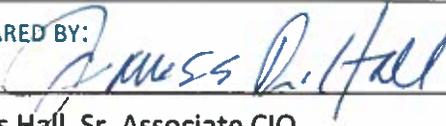
BUSINESS DRIVERS:

The DMS system requires design, development, and implementation of a new LRS Data Interface file to continue the utilization of the DMS. The migration of LEADER and GEARS, the current source systems to LRS, requires that the data elements for the interface files from these two source systems be migrated.

PROJECT ORGANIZATION:

The DMS project has a formal governance structure composed of DPSS executives, program, operations, and fraud investigation staff.

	<p>PERFORMANCE METRICS: The DMS Agreement contains Service Level Agreement (SLA) and Liquidated Damages for performance metrics that the contractor must meet.</p> <hr/> <p>STRATEGIC AND BUSINESS ALIGNMENT: This project is consistent with the principles of the Countywide Strategic Plan: Goal 1: Operational Effectiveness – Maximize the effectiveness of processes, structure and operations to support timely delivery of customer-oriented and efficient public services. It supports the recovery and/or the prevention of public assistance funds that were obtained fraudulently.</p> <hr/> <p>PROJECT APPROACH: DPSS continues to enhance the data interface files as it expands the DMS solution to other public assistance programs.</p> <hr/> <p>ALTERNATIVES ANALYZED: This is an extension of an operational program and no alternative was explored.</p>												
Technical analysis	<p>ANALYSIS OF PROPOSED IT SOLUTION: The DMS solution uses the SAS Fraud Framework for Government and incorporates SAS’ data mining technology with Social Network Analysis, Predictive Analysis, rules management and forecasting techniques. SAS Business Intelligence has been used to generate an information portal and reports to monitor and share information on fraudulent cases. The DMS solution is hosted at SAS’ data center in North Carolina and is accessed securely by County staff.</p>												
Financial analysis	<p>BUDGET:</p> <p>Contract costs</p> <p>One-time costs:</p> <table data-bbox="503 1470 1266 1554"> <tr> <td>Implementation Services</td> <td style="text-align: right;">\$785,400</td> </tr> <tr> <td>Sub-total one-time costs:</td> <td style="text-align: right;">\$785,400</td> </tr> </table> <p>Ongoing costs (FY15/16 thru FY18/19):</p> <table data-bbox="503 1617 1266 1785"> <tr> <td>Transitional Support Services</td> <td style="text-align: right;">\$400,766</td> </tr> <tr> <td>System Maintenance Services</td> <td style="text-align: right;">\$1,778,601</td> </tr> <tr> <td>Optional Pool Dollars</td> <td style="text-align: right;">\$1,035,233</td> </tr> <tr> <td>Sub-total ongoing costs :</td> <td style="text-align: right;">\$3,214,600</td> </tr> </table> <p>Total contract costs: \$4,000,000</p>	Implementation Services	\$785,400	Sub-total one-time costs:	\$785,400	Transitional Support Services	\$400,766	System Maintenance Services	\$1,778,601	Optional Pool Dollars	\$1,035,233	Sub-total ongoing costs :	\$3,214,600
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Sub-total ongoing costs :	\$3,214,600												

	<p>The execution of this Contract Amendment will increase the Total Maximum Contract Sum for the term of the Agreement by \$4,000,000 from \$7,000,000 to \$11,000,000.</p>				
<p>Risk analysis</p>	<p>RISK MITIGATION:</p> <ol style="list-style-type: none"> 1. DPSS has mitigated DMS solution’s implementation risks by providing executive sponsorship, stable project staffing, clear roles and responsibilities, full-time project management, and defined deliverables. 2. The Chief Information Security Officer reviewed the Amendment and did not identify any Information Technology (IT) security or privacy related issues. 3. The Agreement clearly identifies the service levels and system performance metrics to be provided by SAS for the term of the Agreement. 				
<p>CIO Approval</p>	<table border="0" style="width: 100%;"> <tr> <td style="width: 70%; vertical-align: top;"> <p>PREPARED BY: <u></u></p> <p>James Hall, Sr. Associate CIO</p> </td> <td style="width: 30%; vertical-align: top;"> <p><u>7/8/2015</u></p> <p>Date</p> </td> </tr> <tr> <td style="vertical-align: top;"> <p>APPROVED: <u></u></p> <p>Richard Sanchez, County Chief Information Officer</p> </td> <td style="vertical-align: top;"> <p><u>7-8-15</u></p> <p>Date</p> </td> </tr> </table>	<p>PREPARED BY: <u></u></p> <p>James Hall, Sr. Associate CIO</p>	<p><u>7/8/2015</u></p> <p>Date</p>	<p>APPROVED: <u></u></p> <p>Richard Sanchez, County Chief Information Officer</p>	<p><u>7-8-15</u></p> <p>Date</p>
<p>PREPARED BY: <u></u></p> <p>James Hall, Sr. Associate CIO</p>	<p><u>7/8/2015</u></p> <p>Date</p>				
<p>APPROVED: <u></u></p> <p>Richard Sanchez, County Chief Information Officer</p>	<p><u>7-8-15</u></p> <p>Date</p>				

Please contact the Office of the CIO (213.253.5600 or info@cio.lacounty.gov) for questions concerning this CIO Analysis. This document is also available online at <http://ciointranet.lacounty.gov/>

DATA MINING SOLUTION (DMS)

AMENDMENT NUMBER THREE

To

AGREEMENT NUMBER 77217

AMENDMENT NUMBER THREE

TO

AGREEMENT

BETWEEN

COUNTY OF LOS ANGELES

AND

SAS INSTITUTE INC.

FOR

DATA MINING SOLUTION (DMS)

This Amendment Number Three is entered into this 21st day of July, 2015 by and between the County of Los Angeles, a body corporate and politic (hereinafter "County"), and SAS Institute Inc., a North Carolina corporation (hereinafter "Contractor"), and amends that certain Agreement Number 77217 for Data Mining Solution (DMS) for Child Care Fraud Detection, dated as of December 22, 2009, as modified by all Amendments and Change Notices thereto, including without limitation by this Amendment Number Three (hereinafter "Agreement").

WHEREAS, County and Contractor have entered into the Agreement for the design, development, implementation and maintenance of the Data Mining Solution for the Project (hereinafter "DMS"); and

WHEREAS, County has requested, and Contractor has agreed, to design, develop and implement the new LEADER Replacement System (LRS) Data Interfaces in the form of an Additional Interface, which will replace the current Baseline Interfaces from LEADER and GEARS to the DMS Solution for detecting and preventing fraud in the CalWORKs Stage 1 Child Care Program.

WHEREAS, the parties also desire to amend the Agreement to add three (3) additional optional years to the Extended Term, increase the Maximum Contract Sum accordingly, and to update and/or add to the Agreement the most current County required and other applicable provisions.

NOW THEREFORE, in consideration of the foregoing and pursuant to Paragraph 4 (Change Notices and Amendments) of the Base Agreement, County and Contractor hereby agree to amend the Agreement as follows:

1. The Agreement is hereby incorporated by reference, and all of its terms and conditions, including capitalized terms defined therein, shall be given full force and effect as if fully set forth herein.
2. As a result of this Amendment Number Three, the following definitions are added to Paragraph 1.3 (Definitions) of the Base Agreement, amending such Paragraph 1.3:

“1.3.159 AMENDMENT THREE EFFECTIVE DATE

As used herein, the term “Amendment Three Effective Date” shall mean the date of execution of Amendment Number Three to the Agreement by the authorized representative(s) of County and Contractor.

1.3.160 LRS

As used herein, the term “LRS” shall mean County's LEADER Replacement System.

1.3.161 LRS DATA INTERFACE

As used herein, the term "LRS Data Interface" shall mean all Work associated with the development, implementation, maintenance and support of the Additional Interface to the LRS, including such Additional Interface."

3. The maximum term of the Agreement is extended by three (3) years by deleting Paragraph 7.2 (Extended Term) of the Base Agreement in its entirety and replacing it with the revised Paragraph 7.2 (Extended Term), amended to read as follows:

"7.2 EXTENDED TERM

At the end of the Initial Term, County may, at its sole option, extend this Agreement for up to seven (7) additional consecutive one (1) year terms (hereinafter "Extended Term"); provided that if County elects not to exercise its option to extend at the end of the Initial Term, or the Extended Term, the remaining option(s) shall automatically lapse. County shall be deemed to have exercised its extension option(s) automatically, without further act, unless, no later than thirty (30) days prior to the expiration of the Initial Term or the Extended Term, as applicable, County notified Contractor in writing that it elects not to extend the Agreement pursuant to this Paragraph 7.1."

4. The Maximum Contract Sum allocated for the term of the Agreement is increased by deleting Paragraph 8.1 (Maximum Contract Sum) of the Base Agreement in its entirety and replacing it with the revised Paragraph 8.1 (Maximum Contract Sum), amended to read as follows:

"8.1 MAXIMUM CONTRACT SUM

The Contract Sum under this Agreement shall be the total monetary amount payable by County to Contractor for supplying all the tasks, subtasks, deliverables, goods, services and other Work required or requested by County under this Agreement. All Work completed by Contractor must be approved in writing by County in accordance with Paragraph 2.4 (Approval of Work). If County does not approve work in writing, no payment shall be due Contractor for that Work. The Contract Sum, including all applicable taxes, authorized by County hereunder shall not exceed Eleven Million Dollars (\$11,000,000) as further detailed in Exhibit B (Schedule of Payments), unless the Contract Sum is modified pursuant to a duly approved Amendment to this Agreement by County's and Contractor's authorized representative(s) pursuant to Paragraph 4 (Changes to Agreement). The Contract Sum under this Agreement shall cover the authorized payments for all System Components provided by Contractor, System Implementation services, System Maintenance and any Optional Work.

Contractor shall maintain a system of record keeping that will allow Contractor to determine when it has incurred seventy-five percent (75%) of the Contract Sum, including the Pool Dollars expenditures, authorized for this Agreement. Upon occurrence of this event, Contractor shall provide written notification to County's Project Director at the address set forth in Section I (County Key Personnel) in Exhibit G (Administration of Agreement). Notwithstanding the foregoing, Contractor's failure to provide such notification shall not constitute a material breach of this Agreement."

5. Paragraph 14.1 (Indemnification) of the Base Agreement is deleted in its entirety and replaced with revised Paragraph 14.1 (Indemnification), amended to read as follows:

“14.1 GENERAL INDEMNIFICATION

Contractor shall indemnify, defend, and hold harmless County, including County Affiliates, its districts administered by County, and their elected and appointed officers, employees, agents and volunteers (collectively referred to for purposes of this Paragraph 14 as " County Indemnitees ") from and against any and all claims, demands, damages, liabilities, losses, and reasonable costs and expenses, including defense costs and legal, accounting and other expert, consulting or professional fees, and legal research fees, in any way arising from, connected with or related to claims and lawsuits for damages of any nature whatsoever finally awarded against County by a court of competent jurisdiction (including such claims finally disposed of by a court of competent jurisdiction), including bodily injury, death, personal injury or property damage, arising from, connected with or related to: (i) Contractor, Contractor's agents', employees' or subcontractors' acts, errors or omissions in the performance of services or provision of products hereunder, including any workers' compensation suits, liability or expense, arising from or connected with any Work provided by any person on behalf of Contractor, Contractor's agents, employees or subcontractors pursuant to this Agreement; except for such loss or damage arising from the sole negligence or willful misconduct of the County Indemnitees, or (ii) any allegation of facts that constitute a breach of this Agreement by Contractor. Notwithstanding the foregoing, in the event that a claim giving rise to Contractor's obligations under this Paragraph 14 is terminated prior to final award by a court of competent jurisdiction, Contractor shall not seek from County reimbursement of any costs and expenses incurred by Contractor in defending such claim. Any legal defense pursuant to Contractor's indemnification obligations under this Paragraph 14 shall be conducted by Contractor and performed by counsel selected by Contractor. County will reasonably cooperate with Contractor in the investigation, defense and/or settlement of any claim hereunder.

Notwithstanding the preceding sentence, County shall have the right to participate in any such defense at its sole cost and expense."

6. Paragraph 15.4 (Insurance Coverage Requirements) of the Base Agreement has been modified to add the following two new coverages:

"15.4.4 Technology Errors and Omissions Insurance

Insurance, including cover for liabilities arising from errors, omissions, or negligent acts in rendering or failing to render computer or information technology services and technology products. Coverage for violation of software copyright should be included. Technology coverage should at a minimum include (1) systems analysis, (2) systems programming, (3) data processing, (4) systems integration, (5) outsourcing including outsourcing development and design, (6) systems design, consulting, development and modification, (7) training services relating to computer software or hardware, (8) management, repair and maintenance of computer products, networks and systems, (9) marketing, selling, servicing, distributing, installing and maintaining computer hardware or software, (10) data entry, modification, verification, maintenance, storage, retrieval or preparation of data output, and any other services provided by Contractor, with limits of \$10 million.

15.4.5 Privacy/Network Security (Cyber) Insurance

Privacy/Network Security ("Cyber") liability coverage providing protection against liability for (1) privacy breaches (liability arising from the loss or disclosure of confidential information no matter how it occurs), (2) system breach, (3) denial or loss of service, (4) introduction, implantation or spread of malicious software code, (5) unauthorized access to or use of computer systems, with limits of \$10 million. No exclusions/restrictions for unencrypted portable devices/media may be on the policy. The County of Los Angeles shall be provided additional insured status."

7. Paragraph 16.4 (Proprietary and Confidential) of the Base Agreement is revised to read as follows:

"16.4 Proprietary and Confidential

Any and all County Materials which are developed or were originally acquired by Contractor outside the scope of this Agreement, which Contractor desires to use hereunder, and which Contractor considers to be proprietary or confidential, must be specifically identified by Contractor to County's Project Director as proprietary or confidential, and shall be plainly and prominently marked by Contractor as "PROPRIETARY" or "CONFIDENTIAL".

Notwithstanding any other provision of this Agreement, County shall not be obligated in any way under this Agreement for:

1. Any disclosure of any materials which County is required to make under the California Public Records Act or otherwise by law; and
2. Any Contractor's proprietary and/or confidential materials not plainly and prominently marked with restrictive legends.

In the event the County is required to defend an action on a Public Records Act request for any of the aforementioned documents, information, books, records, and/or contents of a proposal marked "trade secret", "confidential" or "proprietary", Contractor agrees to defend and indemnify County from all costs and expenses, including reasonable attorney's fees, in action or liability arising under the Public Records Act.

8. Paragraph 42 (Consideration of Hiring Gain/Grow Participants) of the Base Agreement is deleted in its entirety and replaced with the following:

"42. CONSIDERATION OF HIRING GAIN/GROW PARTICIPANTS

42.1 Should the Contractor require additional or replacement personnel after the Effective Date of this Contract, the Contractor shall give consideration for any such employment openings to participants in the County's Department of Public Social Services Greater Avenues for Independence (GAIN) Program or General Relief Opportunity for Work (GROW) Program who meet the Contractor's minimum qualifications for the open position. For this purpose, consideration shall mean that the Contractor will interview qualified candidates. The County will refer GAIN/GROW participants by job category to the Contractor.

42.2 In the event that both laid-off County employees and GAIN/GROW participants are available for hiring, County employees shall be given first priority."

9. Paragraph 80 (DATA DESTRUCTION) is added to the Base Agreement to read as follows:

"80. DATA DESTRUCTION

Contractor(s) and vendor(s) that have maintained, processed or stored County data and/or information, implied or expressed, have the sole responsibility to certify that the data and information have been appropriately sanitized consistent with the National Institute of Standards and Technology (NIST) Special Publication SP 800-88 titled *Guidelines for Media Sanitization*, which may be found at:

<http://csrc.nist.gov/publications/PubsDrafts.html#SP-800-88 Rev.%201>

Contractor will comply with the NIST SP 800-88 Rev. 1 guidelines by verifying the proper method of sanitization. Contractor may choose to apply sanitization of County data on storage devices in a multi-tenancy architecture where a single encryption key is used and where (1) the drive containing County data remains encrypted, (2) the County data are deleted from the encrypted drive, (3) the encrypted drive remains in the possession of the organization until the end of its useful life..

The data and/or information may be stored on purchased, leased or rented electronic storage equipment (e.g., printers, hard drives) and electronic devices (e.g., servers, workstations) that are geographically located within or outside Los Angeles County. The County must receive within sixty (60) Business Days a signed document from Contractor which certifies and validates that the data and information were placed in one or more of the following storage conditions: unusable, unreadable and indecipherable.

CONTRACTOR shall certify that any County data stored on purchased, leased or rented electronic storage equipment and electronic devices, including, but not limited to printers, hard drives, servers and/or workstations, are destroyed consistent with the current NIST Special Publication SP-800-88, *Guidelines for Media Sanitization*. Contractor may choose to apply sanitization of County data on storage devices in a multi-tenancy architecture where a single encryption key is used and where (1) the drive containing County data remains encrypted, (2) the County data are deleted from the encrypted drive, (3) the encrypted drive remains in the possession of the organization until the end of its useful life

Contractor shall provide County with written certification, within sixty (60) Business Days of removal of any electronic storage equipment and devices that validates that any and all County data was sanitized and is unusable, unreadable and/or undecipherable."

10. Paragraph 81 (TIME OFF FOR VOTING) is added to the Base Agreement to read as follows:

"81. TIME OFF FOR VOTING

The Contractor shall notify its employees, and shall require each subcontractor to notify and provide to its employees, information regarding the time off for voting law (Elections Code Section 14000). Not less than 10 days before every statewide election, every Contractor and subcontractors shall keep posted conspicuously at the place of work, if practicable, or elsewhere where it can be seen as employees come or go to their place of work, a notice setting forth the provisions of Section 14000."

11. The name of County's Project Manager assigned to the Agreement has been updated by deleting Attachment A.3 (Acceptance Certificate) in its entirety and replacing it with revised Attachment A.3 (Acceptance Certificate), which is attached hereto as Attachment 1 and incorporated herein by reference.
12. The Schedule of Payments is adjusted to account for the new LRS Data Interface Deliverables and extension of System Maintenance years by deleting Exhibit B (Schedule of Payments) in its entirety and replacing it with revised Exhibit B (Schedule of Payments), attached hereto as Attachment 2 and incorporated herein by reference.
13. The amount of Pool Dollars allocated for this Agreement is adjusted by deleting Schedule B.1 (Optional Work) in its entirety and replacing it with revised Schedule B.1 (Optional Work), attached hereto as Attachment 3 and incorporated herein by reference.
14. The membership of the County Key Personnel and Contractor Key Personnel has been updated by deleting Exhibit G (Administration of Agreement) in its entirety and replacing it with revised Exhibit G (Administration of Agreement), which is attached hereto as Attachment 4 and incorporated herein by reference.
15. Except as provided in this Amendment Number Three, all other terms and conditions of the Agreement shall remain unchanged and in full force in effect.
16. This Amendment Number Three shall be effective on the date of approval by County's Board of Supervisors.

/

/

/

IN WITNESS WHEREOF, Contractor has executed this Amendment Number Three, or caused it to be duly executed, and the County of Los Angeles, by order of its Board of Supervisors, has caused this Amendment to be executed the day, month and year first above written.

COUNTY OF LOS ANGELES

By Mike Antonovich
MAYOR, Board of Supervisors

CONTRACTOR: SAS INSTITUTE, INC.



By Kevin Farrell
Signature

SAS Kevin Farrell
Manager
Contracts Administration
SAS INSTITUTE INC.

Title

ATTEST:
PATRICK OGAWA
Acting Executive Officer-Clerk, Board of Supervisors

I hereby certify that pursuant to Section 25103 of the Government Code, delivery of this document has been made.

By Carla Little
Deputy



PATRICK OGAWA
Acting Executive Officer
Clerk of the Board of Supervisors

By Carla Little
Deputy

APPROVED AS TO FORM:
MARY C. WICKHAM
Interim County Counsel

By Victoria Mansourian
VICTORIA MANSOURIAN
Principal Deputy County Counsel

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

26 JUL 21 2015

Patrick Ogawa
PATRICK OGAWA
ACTING EXECUTIVE OFFICER

77217
Amendment No. 3

**AMENDMENT NO. 03
To
AGREEMENT NUMBER 77217
FOR
DATA MINING SOLUTION (DMS)**

ATTACHMENT A.3

ACCEPTANCE CERTIFICATE

ATTACHMENT A.3
ACCEPTANCE CERTIFICATE

CONTRACTOR NAME AND ADDRESS	TRANSMITTAL DATE	
ACCEPTANCE CERTIFICATE	CONTRACT NUMBER	
	TITLE	
FROM: _____	TO: _____	
CONTRACTOR'S PROJECT DIRECTOR (Signature Required)	Hayward Gee COUNTY'S PROJECT DIRECTOR	
<p>Contractor hereby certifies to County that as of the date of this Acceptance Certificate, it has satisfied all conditions precedent in the Agreement, including the Exhibits thereto to the completion of the Tasks and delivery of the Deliverable/Key Deliverable set forth below, including satisfaction of the completion criteria applicable to such Tasks and Deliverable/Key Deliverable and County's approval of the work performed in connection with the achievement of such Task. Contractor further represents and warrants that the work performed in respect of such Tasks and Deliverable/Key Deliverable has been completed in accordance with Exhibit A (Statement of Work (SOW)). County's approval and signature constitutes Acceptance of the Tasks and Deliverables listed below.</p>		
TASK DESCRIPTION (including Task and Subtask numbers as set forth in the Statement of Work)	DELIVERABLE/KEY DELIVERABLE (including Deliverable/Key Deliverable numbers as set forth in the Statement of Work)	
Comments:		
Attached hereto is a copy of all supporting documentation required pursuant to the Agreement and Exhibit A (Statement of Work), including any additional documentation reasonably requested by County.		
COUNTY ACCEPTANCE:		
NAME <u>Hayward Gee</u>	SIGNATURE	DATE
County's Project Director	_____	_____
NAME <u>Laura Chavez</u>	SIGNATURE	DATE
County's Project Manager	_____	_____

**AMENDMENT NO. 03
To
AGREEMENT NUMBER 77217
FOR
DATA MINING SOLUTION (DMS)**

EXHIBIT B

SCHEDULE OF PAYMENTS



EXHIBIT B
SCHEDULE OF PAYMENTS
FOR
DATA MINING SOLUTION (DMS)

REVISED UNDER AMENDMENT NO. 3

JULY 2015



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1. TOTAL PRICING SUMMARY

Exhibit B (Schedule of Payments) sets forth the pricing and payment terms for the Work to be provided by Contractor under this Agreement. The following Schedules are attached to and form a part of this Exhibit B:

Schedule B.1 – Optional Work

This Section 1 specifies the summary of the allocation of the pricing components that constitute the Contract Sum under the Agreement.

WORK DESCRIPTION	PHASE 1 (CALWORKS)	PHASE 2 (IHSS)	AMENDMENT NUMBER THREE		TOTAL AMOUNT
			LRS INTERFACE	TERM EXTENSION	
System Implementation	\$2,432,655	\$1,018,176	\$785,400 ⁽¹⁾		\$4,236,231
System Maintenance	\$1,866,513	\$731,648	\$400,766 ⁽²⁾	\$1,778,601	\$4,777,528
Optional Work (Pool Dollars)	\$510,990	\$440,018		\$1,035,233	\$1,986,241
TOTAL CONTACT SUM	\$4,810,158	\$2,189,842	TOTAL AMENDMENT NO. 3 – \$4,000,000		\$11,000,000

⁽¹⁾ Development and implementation of the LRS Interface is being provided in the form of Optional Work using Pool Dollars by four (4) separate Change Orders with (i) the first two (\$255,800) executed prior to Amendment Three Effective Date using then available Pool Dollars and (ii) the remaining two (\$785,400) to be executed following Amendment Three Effective Date after \$785,400 has been added to the available Pool Dollars by Amendment Number Three.

⁽²⁾ The amount of \$400,766 is allocated for support during transitioning to the LRS Interface and will be added to the Maintenance Fees payable for Years 6 and 7 of the Agreement, as provided below in Section 2 (Pricing by Years).

2. PRICING BY YEARS

This Section 2 specifies for budgeting purposes the annual allocation of payments to be made by County to Contractor during the term of the Agreement segregated by the pricing components comprising the Contract Sum.

WORK DESCRIPTION	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	TOTAL AMOUNT
System Implementation	\$2,432,655		\$1,018,176							\$3,450,831
System Maintenance		\$555,782	\$381,418	\$489,717	\$578,377	\$637,020.00	\$913,480.00	\$592,867	\$592,867	\$4,777,528
Optional Work (Pool Dollars)										\$2,771,641
TOTAL	\$2,432,655	\$555,782	\$1,399,594	\$489,717	\$578,377	\$673,020.00	\$913,480.00	\$592,867	\$592,867	\$11,000,000



3. SYSTEM IMPLEMENTATION – FIRM FIXED PRICE

This Section 3 includes the Deliverable amounts to be paid by County to Contractor for System Implementation.

3.1 PHASE 1

This Section 3.1 includes the Deliverable amounts to be paid by County to Contractor for System Implementation relating to the CalWORKs program, including any adjustments made as a result of eliminating the Back-Up Server requirement pursuant to Change Notice No. 02 to the Agreement and the revised amounts following such adjustments.

DELIVERABLE	EFFECTIVE DATE AMOUNT	BACK-UP SERVER SERVICE ADJUSTMENT	BACK-UP SERVER HARDWARE ADJUSTMENT	REVISED AMOUNT
1.1 - Project Control Document	\$8,500.00			\$8,500.00
1.2 - Status Reports and Conferences	\$8,500.00			\$8,500.00
1.3 - Project Office Certification	\$2,100.00			\$2,100.00
1.4 - Web-Server Hosting Certification	\$2,100.00	-\$336.00	\$0.00	\$2,100.00
2 - Assessment and Requirements Document	\$61,500.00	-\$3,075.00	-\$7,181.00	\$61,500.00
3.1 - Design Specification Document	\$23,300.00			\$23,300.00
3.2 - System Configuration Plan and Certification	\$87,350.00			\$87,350.00
3.3 - System Hardware Certification	\$87,900.00	-\$4,395.00	-\$28,722.00	\$87,900.00
4.1 - System Software Certification	\$117,100.00			\$117,100.00
4.2 - Data Quality and Integration Solution	\$89,100.00			\$89,100.00
4.3 - Predictive Data Mining Models	\$137,900.00			\$137,900.00
4.4 - Baseline Interfaces	\$36,100.00			\$36,100.00
4.5 - Deployed Fraud Solution Platform *	\$1,552,705.00			\$1,552,705.00
5.1.1 - System Integration Test Plan	\$31,800.00	-\$4,770.00	-\$3,590.00	\$31,800.00
5.1.2 - System Integration Test Results	\$21,200.00	-\$3,180.00	-\$7,181.00	\$21,200.00
5.2.1 - User Acceptance Test Plan	\$12,700.00	-\$2,540.00	-\$3,590.00	\$12,700.00
5.2.2 - User Acceptance Test Status Reports	\$6,400.00	-\$1,280.00	\$0.00	\$6,400.00
5.2.3 - User Acceptance Test Certification	\$6,400.00	-\$1,280.00	\$0.00	\$6,400.00
6.1 - System Production Use	\$10,600.00	\$0.00	-\$3,590.00	\$10,600.00
6.2.1 - Performance Verification Report	\$10,600.00	\$0.00	-\$3,590.00	\$10,600.00
6.2.2 - Final Acceptance	\$12,700.00			\$12,700.00
7.1 - Trained County Staff	\$53,000.00			\$20,000.00
8.1 - System Documentation	\$42,400.00			\$25,000.00
9.1 - System Maintenance Plan	\$12,700.00			\$12,700.00
9.2 - System Maintenance	\$63,600.00			\$35,700.00
9.3.1 - DMS Transition Plan	\$12,700.00			\$12,700.00
11.1 - IHSS Pilot	\$0.00			\$0.00
		-\$20,856.00	-\$57,444.00	
TOTAL	\$2,510,955.00	-\$78,300.00		\$2,432,655.00

* Will be paid in four (4) quarterly installments in arrears, with first due three (3) months after the Effective Date and every three (3) months thereafter. For example, with the Effective Date of December 31, 2009, payments will be due on March 2010, June 2010, September 2010, December 31, 2010



3.2

IHSS PROJECT

EXHIBIT B – SCHEDULE OF PAYMENTS

This Section 0 includes the Deliverable amounts to be paid by County to Contractor for System Implementation relating to the IHSS Project under Phase 2 pursuant to Amendment Number Two to the Agreement under Task 12 (IHSS Project) of Exhibit A (Statement of Work), commencing with Subtask 12.1 (Migrate DMS to New Platform) and continuing with Subtask 12.2 (Implement IHSS Project) of Exhibit A (Statement of Work). Deliverable payments for Work under Deliverable 12.2 (IHSS Project Implemented) of Exhibit A (Statement of Work) shall be made in the form of Deliverables 1 through 9, as further provided below.

DELIVERABLE	DELIVERABLE AMOUNT	HOLDBACK AMOUNT (10%)	INVOICE AMOUNT
12.1 – DMS Migrated to New Platform	\$58,972.00	\$5,897.20	\$53,074.80
12.2 – IHSS Project Implemented	AS PROVIDED UNDER DELIVERABLES 1 – 9 BELOW.		
1.1 - Project Control Document	\$11,751.00	\$1,175.10	\$10,575.90
1.2 - Status Reports and Conferences	\$30,200.00	\$3,020.00	\$27,180.00
1.3 - Project Office Certification	\$0.00	\$0	\$0
1.4 - Web-Server Hosting Certification	\$0.00	\$0	\$0
2 - Assessment and Requirements Document	\$47,798.00	\$4,779.80	\$43,018.20
3.1 - Design Specification Document	\$39,600.00	\$3,960.00	\$35,640.00
3.2 - System Configuration Plan and Certification	\$101,805.00	\$10,180.50	\$91,624.50
3.3 - System Hardware Certification	\$6,615.00	\$661.50	\$5,953.50
4.1 - System Software Certification	\$2,125.00	\$212.50	\$1,912.50
4.2 - Data Quality and Integration Solution	\$37,972.00	\$3,797.20	\$34,174.80
4.3 - Predictive Data Mining Models	\$15,500.00	\$1,550.00	\$13,950.00
4.4 - Baseline Interfaces	\$44,760.00	\$4,476.00	\$40,284.00
4.5 - Deployed Fraud Solution Platform *	\$536,256.00	\$0	\$536,256.00
5.1.1 - System Integration Test Plan	\$33,494.00	\$3,349.40	\$30,144.60
5.1.2 - System Integration Test Results	\$24,800.00	\$2,480.00	\$22,320.00
5.2.1 - User Acceptance Test Plan	\$1,326.00	\$132.60	\$1,193.40
5.2.2 - User Acceptance Test Status Reports	\$1,470.00	\$147.00	\$1,323.00
5.2.3 - User Acceptance Test Certification	\$550.00	\$55.00	\$495.00
6.1 - System Production Use	\$573.00	\$57.30	\$515.70
6.2.1 - Performance Verification Report	\$2,500.00	\$250.00	\$2,250.00
6.2.2 - Final Acceptance	\$2,618.00	\$0	\$2,618.00
7.1 - Trained County Staff	\$6,290.00	\$629.00	\$5,661.00
8.1 - System Documentation	\$8,191.00	\$819.10	\$7,371.90
9.1 - System Maintenance Plan	\$2,381.00	\$238.10	\$2,142.90
9.2 - System Maintenance	\$0.00	\$0	\$0
9.3.1 - DMS Transition Plan	\$629.00	\$62.90	\$566.10
TOTAL	\$1,018,176.00	-\$47,930.20	\$970,245.80
* Will be due following the Amendment Two Effective Date and paid in accordance with the payment terms under the Agreement.			



4. SYSTEM MAINTENANCE – FIRM FIXED PRICE

This Section 4 specifies the summary of the annual allocation of the Maintenance Fees, including Annual Fees and System Support Fees, over the term of the Agreement commencing with year 2 of the Agreement, to be paid by County to Contractor consistent with the applicable terms depending on the type of Maintenance Fees.

SYSTEM MAINTENANCE DESCRIPTION	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	MAXIMUM FEES
Annual Fees – Phase 1	\$412,820.00	\$310,280.00	\$272,175.00	\$283,608.00	\$295,613.00	\$295,613.00	\$295,613.00	\$295,613.00	\$2,461,335.00
System Support Fees – Phase 1	\$142,962.00	\$71,138.00	\$77,917.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$292,017.00
SUBTOTAL – PHASE 1	\$555,782.00	\$381,418.00	\$350,092.00	\$283,608.00	\$295,613.00	\$295,613.00	\$295,613.00	\$295,613.00	\$2,753,352.00
Annual Fees – IHSS Project	\$0.00	\$0.00	\$133,625.00	\$210,852.00	\$213,337.00	\$213,337.00	\$213,337.00	\$213,337.00	\$1,197,825.00
TOTAL - System Support Fees	\$0.00	\$0.00	\$6,000.00	\$83,917.00	\$83,917.00	\$83,917.00	\$83,917.00	\$83,917.00	\$425,585.00
SUBTOTAL – IHSS PROJECT	\$0.00	\$0.00	\$139,625.00	\$294,769.00	\$297,254.00	\$297,254.00	\$297,254.00	\$297,254.00	\$1,623,410.00
DMS/LRS INTERFACE – SYSTEM SUPPORT FEES					\$80,153.00	\$320,613.00			\$400,766.00
SUBTOTAL - MONTHLY MAINTENANCE SUPPORT	\$0.00	\$0.00	\$0.00	\$0.00	\$377,407.00	\$617,867.00			\$400,766.00
TOTAL	\$555,782.00	\$381,418.00	\$489,717.00	\$578,377.00	\$673,020.00	\$913,480.00	\$592,867.00	\$592,867.00	\$4,777,528.00

4.1 ANNUAL FEES

This Section 4.1 specifies the allocation of the Annual Fees, consisting of License Renewal Fees and Software Support Fees, over the term of the Agreement commencing with Year 2 of the Agreement, to be paid by County to Contractor in accordance with Paragraph 8.4 (System Maintenance) of the Base Agreement annually in advance commencing on the first anniversary of the Effective Date, allocated by each year of System Maintenance.



EXHIBIT B – SCHEDULE OF PAYMENTS

SYSTEM MAINTENANCE DESCRIPTION	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	MAXIMUM FEES
System Hardware: Production Server – Phase 1	\$111,906.00	\$67,461.00	\$18,600.00	\$18,600.00	\$18,600.00	\$18,600.00	\$18,600.00	\$18,600.00	\$290,967.00
Third Party Software – Phase 1	\$81,522.00	\$24,910.00	\$24,910.00	\$24,910.00	\$24,910.00	\$24,910.00	\$24,910.00	\$24,910.00	\$255,892.00
Application Software – Phase 1	\$219,392.00	\$217,909.00	\$228,665.00	\$240,098.00	\$252,103.00	\$252,103.00	\$252,103.00	\$252,103.00	\$1,914,476.00
SUBTOTAL – PHASE 1	\$412,820.00	\$310,280.00	\$272,175.00	\$283,608.00	\$295,613.00	\$295,613.00	\$295,613.00	\$295,613.00	\$2,461,335.00
System Hardware: Production Server – IHSS Project			\$72,000.00	\$120,000.00	\$120,000.00	\$120,000.00	\$120,000.00	\$120,000.00	\$672,000.00
Third Party Software – IHSS Project			\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$48,000.00
Application Software – IHSS Project			\$53,625.00*	\$82,852.00	\$85,337.00	\$85,337.00	\$85,337.00	\$85,337.00	\$477,825.00
SUBTOTAL – IHSS PROJECT	\$0.00	\$0.00	\$133,625.00	\$210,852.00	\$213,337.00	\$213,337.00	\$213,337.00	\$213,337.00	\$1,197,825.00
TOTAL	\$412,820.00	\$310,280.00	\$405,800.00	\$494,460.00	\$508,950.00	\$508,950.00	\$508,950.00	\$508,950.00	\$3,659,160.00
* The amount is based on an annual fee of \$80,438.00, prorated over an eight month period. The actual amount invoiced by Contractor and paid by County will depend on the schedule of completion of System Implementation relating to the IHSS Project.									

4.2 SYSTEM SUPPORT FEES

This Section 0 specifies the allocation of the System Support Fees over the term of the Agreement commencing with Year 2 of the Agreement, to be paid by County to Contractor in accordance with Paragraph 8.4 (System Maintenance) of the Base Agreement monthly in arrears by payment of one twelfth of the annual amounts specified below, commencing one month following expiration of the applicable Warranty Period, projected by each year of System Maintenance.



EXHIBIT B – SCHEDULE OF PAYMENTS

SYSTEM MAINTENANCE DESCRIPTION	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	MAXIMUM FEES
Production Server: Infrastructure Hosting – Phase 1	\$37,492.00	\$27,453.00	\$18,922.00						\$83,867.00
Back-Up Server Adjustment – Phase 1	-\$18,100.00	-\$18,100.00	-\$2,790.00						-\$38,990.00
Help Desk Support (Technical and User)	\$123,570.00	\$61,785.00	\$61,785.00						\$247,140.00
SUBTOTAL – PHASE 1	\$142,962.00	\$71,138.00	\$77,917.00	\$0.00	\$0.00				\$292,017.00
Production Server: Infrastructure Hosting – IHSS Project			\$6,000.00	\$22,132.00	\$22,132.00	\$22,132.00	\$22,132.00	\$22,132.00	\$116,660.00
Help Desk Support (Technical and User) – IHSS Project				\$61,785.00	\$61,785.00	\$61,785.00	\$61,785.00	\$61,785.00	\$308,925.00
SUBTOTAL – IHSS PROJECT	\$0.00	\$0.00	\$6,000.00	\$83,917.00	\$83,917.00	\$83,917.00	\$83,917.00	\$83,917.00	\$425,585.00
LRS INTERFACE TRANSITION SUPPORT SERVICES					\$100,191.50**	\$300,574.50**			\$400,766.00
SUBTOTAL - MONTHLY MAINTENANCE SUPPORT FEES					\$184,108.50	\$384,491.50			\$400,766.00
Infrastructure Network	\$0.00	\$0.00	\$0.00						\$0.00
Infrastructure/DR/Network/Storage	\$0.00	\$0.00	\$0.00						\$0.00
System Software – Application Modifications	\$0.00*	\$0.00*	\$0.00*						\$0.00
System Software – Replacement Products	\$0.00	\$0.00	\$0.00						\$0.00
System Software – Updates	\$0.00	\$0.00	\$0.00						\$0.00
TOTAL – SYSTEM SUPPORT FEES	\$142,962.00	\$71,138.00	\$83,917.00	\$83,917.00	\$184,108.50	\$384,491.50	\$83,917.00	\$83,917.00	\$1,118,368
** The amount will be prorated over a 15 month period . The actual amount invoiced by Contractor and paid by County will depend on the schedule of completion of System Implementation relating to the new LRS Interface.									



5. OPTIONAL WORK FIXED HOURLY RATE

Contractor shall use the following Fixed Hourly Rates for quoting and providing Optional Work during the term of the Agreement, as applicable.

OPTIONAL WORK	FIXED HOURLY RATE
All Other Labor Resources except those listed below	\$175
Jr. ETL Analyst	\$150
Documentation Specialist QA Analyst	\$125

Fixed Hourly Rate shall be used to calculate Maximum Fixed Price for Optional Work, which may be provided by Contractor during the term of the Agreement. Fixed Hourly Rate shall not increase during the term of the Agreement, as further specified in Paragraph 8.5 (Optional Work) of the Base Agreement.

6. LABOR RESOURCES

Staffing	YEAR 1			YEAR 2			OPTIONAL YEAR 3			OPTIONAL YEAR 4			OPTIONAL YEAR 5			OPTIONAL YEAR 6		
	# of Persons	Hourly Rate	Annual Price	# of Persons	Hourly Rate	Annual Price	# of Persons	Hourly Rate	Annual Price	# of Persons	Hourly Rate	Annual Price	# of Persons	Hourly Rate	Annual Price	# of Persons	Hourly Rate	Annual Price
Project Director - John Brocklebank	1	\$225	\$45,000	1	\$0	\$5,000	1	\$0	\$5,000	1	\$0	\$5,000	1	\$0	\$5,000	1	\$0	\$5,000
Project Manager - Jim Georges	1	\$190	\$114,000	1	\$0	\$30,000	1	\$0	\$30,000	1	\$0	\$30,000	1	\$0	\$30,000	1	\$0	\$30,000
Project Manager - Tom Ray	1	\$150	\$45,000	1	\$0	\$17,500	1	\$0	\$17,500	1	\$0	\$17,500	1	\$0	\$17,500	1	\$0	\$17,500
Key Personnel		\$0	\$0		\$0	\$0		\$0	\$0		\$0	\$0		\$0	\$0		\$0	\$0
Analytics Manager - Jin-Whan Jung	1	\$200	\$40,000	1	\$200	\$5,000	1	\$200	\$5,000	1	\$200	\$5,000	1	\$200	\$5,000	1	\$200	\$5,000
Analytics Consultant - Jay King	1	\$175	\$96,250	1	\$175	\$15,000	1	\$175	\$15,000	1	\$175	\$15,000	1	\$175	\$15,000	1	\$175	\$15,000
Analytics Consultant - Sanjay Arangala	1	\$175	\$70,000	1	\$175	\$12,000	1	\$175	\$12,000	1	\$175	\$12,000	1	\$175	\$12,000	1	\$175	\$12,000
Analytics Consultant	1	\$175	\$70,000															
IT Manager	1		\$0															
SSO IT Consultant	1		\$0															
ISD IT Consultant	1		\$0															
SAS Administrator - Don Koch	1	\$150	\$97,500	1	\$150	\$3,500	1	\$150	\$3,500	1	\$150	\$3,500	1	\$150	\$3,500	1	\$150	\$3,500
ETL Consultant - Dave Kuhn	1	\$150	\$51,000	1	\$150	\$5,000	1	\$150	\$5,000	1	\$150	\$5,000	1	\$150	\$5,000	1	\$150	\$5,000
Documentation Specialist	1	\$125	\$50,000	1	\$125	\$2,000	1	\$125	\$2,000	1	\$125	\$2,000	1	\$125	\$2,000	1	\$125	\$2,000
Quality Assurance Manager	1	\$125	\$43,750	1	\$125	\$1,500	1	\$125	\$1,500	1	\$125	\$1,500	1	\$125	\$1,500	1	\$125	\$1,500
Quality Assurance Consultant	1	\$125	\$50,000	1	\$125	\$3,500	1	\$125	\$3,500	1	\$125	\$3,500	1	\$125	\$3,500	1	\$125	\$3,500
TOTAL			\$772,500					\$100,000	\$100,000		\$100,000	\$100,000		\$100,000	\$100,000			\$100,000



7. POOL DOLLARS

This Section 7 below specifies the amount of Pool Dollars allocated for the term of the Agreement.

POOL DOLLARS SOURCE / COMPONENT	AMOUNT
Amount on the Effective Date	\$93,700
Back-Up Server Adjustment – System Implementation	\$78,300
Back-Up Server Adjustment – System Maintenance	\$38,990
Reallocated from Maintenance Fees – Application Modification	\$300,000
Subtotal – Pool Dollars	\$510,990
Increase – Amendment Number Two	\$440,018
Subtotal – Pool Dollars	\$951,008
Increase – Amendment Number Three	\$1,820,633
TOTAL AMOUNT – POOL DOLLARS	\$2,771,641

The total amount of Pool Dollars allocated for the term of the Agreement includes \$63,700 reserved for DMS Transition Support activities to be provided by Contractor pursuant to Subtask 9.3.2 (Provide DMS Transition Support) of Exhibit A (Statement of Work).

**AMENDMENT NO. 03
To
AGREEMENT NUMBER 77217
FOR
DATA MINING SOLUTION (DMS)**

SCHEDULE B.1

SCHEDULE OF PAYMENTS

SCHEDULE B.1**OPTIONAL WORK****1. OPTIONAL WORK**

ITEM NO.	DESCRIPTION/TYPE	REQUEST DATE	DELIVERY DATE	COUNTY APPROVAL DATE	MAXIMUM FIXED PRICE
Change Order No. 2011-01	1. Add Indicator for Undocumented Alien to Relationship Tree			Completed on June 18 th , 2012	\$14,550
Change Order No. 2011-02	2. Add Person ID for each family member on the Relationship Tree			Completed on June 18 th , 2012	\$2,625
Change Order No. 2011-04	4. Add Phone Number in the text SEARCH box on the UI			Completed on June 18 th , 2012	\$15,450
Change Order No. 2011-05	5. Add Transportation and Ancillary data to the existing Income and Benefits Tab			Completed on June 18 th , 2012	\$36,875
Change Order No. 2011-06	6. Analyze the requirements and design to add information of the other parent in the household as a new Details tab on the UI			Completed on June 28 th , 2012	\$4,295
Change Order No. 2011-08	8. Add information related to the Provider to the UI. Risk association for provider on case record.			Completed on June 28 th , 2012	\$52,300
Change Order No. 2011-09	9. GEARS File Structure (Loading History) Requires development of a new automated process to read GEARS files.			Completed on June 28 th , 2012	\$86,650
TOTAL Paid FY11/12					\$212,745
Change Order No. 2011-03	3. DMS Child Care Dashboard Reports			Completed on April 30 th , 2013	\$19,475
TOTAL Paid FY12/13					\$19,475
Change Order No. 2014-01	LRS Data Mapping for DMS and ELP Application Spreadsheet			Completed on June 30 th , 2014	\$35,000
TOTAL Paid FY13/14					\$35,000
Change Order No. 2014-02	CMIPS II – New Data Elements added to monthly DDL for DMS/IHSS Application			Completed on October 7, 2014	\$4,000
Change Order No. 2014-03	DMS/ELP Application Data Mapping from LRS Analysis Deliverable			Completed on December 2014	\$247,000
TOTAL Paid FY14/15					\$251,000

SCHEDULE B.1 – OPTIONAL WORK

REMAINING TOTAL					\$432,788
New LRS Data Interface to DMS Application					
Change Order No. 2015-01	LRS Data Interface to DMS Application Project Management and Set up Activities				\$157,800
Change Order No. 2015-02	LRS Data Interface to DMS Application Installation and Configuration				\$98,000
Change Order No. 2015-03	LRS Data Interface – Implement System Software & Design, Develop Data Quality and Integration Solution & Predictive Analytics Models & Baseline Interface				\$463,400
Change Order No. 2015-04	LRS Data Interface Implementation - System Testing and Documentation for Final Acceptance				\$322,000
TOTAL					\$1,041,200
Deliverable 9.3.2	DMS Transition Support			Reserved	\$63,700
SUBTOTAL					\$1,104,900

2. POOL DOLLARS

EVENT (Effective Date, Change Notice, Amendment)	EVENT DATE	ADJUSTED AMOUNT ("+", "-")	REMAINING AMOUNT
Effective Date	December 22, 2009		\$93,700
Change Notice No. 02	June 2011	+\$417,290	\$510,990
Change Order No. 2011-01	Completed on June 18th, 2012	\$14,550	\$496,440
Change Order No. 2011-02	Completed on June 18th, 2012	\$2,625	\$493,815
Change Order No. 2011-04	Completed on June 18th, 2012	\$15,450	\$478,365
Change Order No. 2011-05	Completed on June 18th, 2012	\$36,875	\$441,490
Change Order No. 2011-06	Completed on June 28th, 2012	\$4,295	\$437,195
Change Order No. 2011-08	Completed on June 28th, 2012	\$52,300	\$384,895
Change Order No. 2011-09	Completed on June 28th, 2012	\$86,650	\$298,245
TOTAL Paid FY11/12		-\$212,745	\$298,245
Amendment No. 2	May 2012	+440,018	\$738,263
Change Order No. 2011-03	Completed on April 30th, 2013	\$19,475	
TOTAL Paid FY12/13		-\$19,475	\$718,788
Change Order No. 2014-01	Completed on June 30th, 2014	\$35,000	
TOTAL Paid FY13/14		-\$35,000	\$683,788
Change Order No. 2014-02	Completed on October 7, 2014	\$4,000	
Change Order No. 2014-03	Completed on December 2014	\$247,000	
TOTAL Paid FY14/15		-\$251,000	\$432,788
Change Order No. 2015-01		\$157,800	
Change Order No. 2015-02		\$98,000	
TOTAL Paid FY14/15		-\$255,800	\$176,988
Amendment No. 3	June 2015	+\$1,820,633	\$1,997,621
Change Order No. 2015-03		\$463,400	
Change Order No. 2015-04		\$322,000	
TOTAL Paid FY15/16		-\$785,400	\$1,212,221

AMENDMENT NO. 03
To
AGREEMENT NUMBER 77217
FOR
DATA MINING SOLUTION (DMS)

EXHIBIT G

ADMINISTRATION OF AGREEMENT

ADMINISTRATION OF AGREEMENT

I. COUNTY KEY PERSONNEL

A. COUNTY'S PROJECT DIRECTOR

Name: Hayward Gee
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B. COUNTY'S PROJECT MANAGER

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C. COUNTY'S CONTRACT ADMINISTRATOR

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D. COUNTY’S TECHNICAL MANAGER

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E. COUNTY’S PROJECT ADMINISTRATOR

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